



AFFORDABLE CARE ACT MASSACHUSETTS IMPLEMENTATION UPDATE

April 20, 2011

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These Updates, published by the Executive Office of Health and Human Services (EOHHS) in consultation with the other state agencies involved in ACA implementation, will bring you news related to the implementation of provisions of the ACA here in Massachusetts.

Guidance

4/19/11 CMS filed a proposed rule, which will publish in the Federal Register on 5/5/11, to **revise the Medicare hospital inpatient prospective payment systems (IPPS) for operating and capital-related costs of acute care hospitals** to implement certain statutory provisions contained in the ACA and other legislation. The changes would be applicable to discharges occurring on or after 10/1/11. The rule also updates the rate-of-increase limits for certain hospitals excluded from the IPPS that are paid on a reasonable cost basis subject to these limits. The proposed updated rate-of-increase limits would be effective for cost reporting periods beginning on or after 10/1/11. The rule also reduces Medicare operating payments to acute care hospitals by 0.5 percent starting 10/1/12- a projected \$498 million less than what hospitals received in fiscal 2011. The proposal also calls for the adoption on 10/1/13 of a "Medicare spending per beneficiary measure" under a new "Value-Based Purchasing Program." Comments are due by 6/20/11.

Read the proposed regulation at:

<http://www.gpo.gov/fdsys/pkg/FR-2011-05-05/pdf/2011-9644.pdf>

Read the CMS press release at: [CMS](#)

Please see the "**News**" section for information on a report that HHS submitted to Congress on "**Medicare Ambulatory Surgical Center Value-Based Purchasing Implementation Plan**" for additional information on this topic.

4/19/11 CMS published the final rule regarding the **Medicaid program and federal funding for Medicaid eligibility determination and enrollment activities**. The final rule revises Medicaid regulations for Mechanized Claims Processing and Information Retrieval Systems and modifies regulations so that the enhanced Federal financial participation (FFP) is available for design, development and installation or enhancement of eligibility determination systems until 12/31/15. The final rule also imposes certain defined standards and conditions in

terms of timeliness, accuracy, efficiency, and integrity for mechanized claims processing and information retrieval systems in order to receive enhanced FFP. The regulations are effective on 4/19/11.

View the regulations at: <http://www.gpo.gov/fdsys/pkg/FR-2011-04-19/pdf/2011-9340.pdf>

4/16/11 CMS' Center for Consumer Information and Insurance Oversight (CCIIO) filed a notice about a new system of records titled the "Health Insurance Assistance Database (HIAD)" that will collect and maintain information on consumer complaints regarding their health plans and help **CCIIO oversee states' development and operation of health insurance exchanges** in order to determine which states may not be enforcing ACA-mandated standards. §1321(c) of the ACA authorizes HHS to ensure that states with exchanges are enforcing the federal standards and to set up exchanges in states that elect not to do so or are not substantially enforcing related provisions. The database will be an oversight tool for CMS which will collect information on consumer inquiries and complaints regarding the exchanges, with CMS having enforcement authority over non-federal governmental health plans and being able to investigate whether states are enforcing provisions of the ACA and the Public Health Service Act.

CMS/CCIIO is accepting comments and, according to the Federal Register notice, the new system is effective in May "unless CMS receives comments that require alterations to this notice."

Read the notice at: <http://www.gpo.gov/fdsys/pkg/FR-2011-04-15/pdf/2011-9105.pdf>

Note that the guidance listed in this section dates back to April 16, 2011. Prior guidance can be viewed at www.healthcare.gov

News

4/18/11 HHS submitted a report to Congress entitled "**Medicare Ambulatory Surgical Center Value-Based Purchasing Implementation Plan**." As required by §3006 of the ACA, the HHS Secretary must submit to Congress a report containing a plan to implement a value-based purchasing (VBP) program for payments under the Medicare program for ambulatory surgical centers (ASCs). The broad report describes CMS' current efforts to improve quality and payment efficiency in ASCs and examines the steps necessary to design and implement an ASC VBP program for payments under the Medicare program.

Read the report at: http://www.cms.gov/ASCPayment/downloads/C_ASC_RTC%202011.pdf

4/15/11 President Obama signed a bill into law to repeal §10108 of the ACA, a provision that **would have required employers to offer low-wage employees company-paid vouchers to buy coverage in state health insurance exchanges**. Under the provision, starting in 2014, employers would have been required to offer vouchers to employees with household incomes up to 400% of the federal poverty level and whose premium contributions were between 8% and 9.8% of their household income. However, the value of the voucher would have been equal to what their employer would have paid if the employee enrolled in a plan with the largest employer premium contribution. Employees then could have used the voucher to buy coverage in an exchange. If the cost of a policy purchased by an employee through the exchange is less than the value of the voucher, the employee could pocket the difference in cash, which would be considered income and taxed. The provision was unpopular among many business groups because, they argued, it was likely to cause adverse selection, inflating employer costs.

Read the voucher language, beginning on page 131, section 1858 at:

<http://www.gpo.gov/fdsys/pkg/BILLS-112hr1473enr/pdf/BILLS-112hr1473enr.pdf>

4/15/11 The Department of Labor (DOL) submitted a report to HHS regarding **selected**

medical benefits in employee health plans as required by §1302(b)(2)(A) of the ACA. DOL reports on the results of a survey conducted of employer-sponsored health insurance in order to identify covered benefits and assist HHS in defining the essential benefits that must be offered by qualified health plans in the new health exchanges.

Read the DOL report at: http://www.bls.gov/ncs/ebs/smb_health.htm

Read Secretary Sebelius' statement at:

<http://www.hhs.gov/news/press/2011pres/04/20110415b.html>

Read Secretary Solis' letter to Secretary Sebelius at:

<http://www.dol.gov/ebsa/pdf/ACAresearchtransmittaltr041511.pdf>

4/14/11 President Obama signed into law HR 4, which **repeals the 1099 tax reporting requirements for businesses** under §9006 of the ACA. The provision required business and real estate owners to file a 1099 form with the IRS for every vendor to whom they paid more than \$600 in a year. The bill offsets the \$20 billion cost of the repeal by increasing the income level at which consumers who receive insurance subsidies would have to repay the government if they're no longer eligible. The repeal was popular among the business community and backed by bipartisan majorities in both chambers of Congress. The Senate passed it in April after the House had passed it in March.

Read the bill at: <http://www.gpo.gov/fdsys/pkg/BILLS-112hr4enr/pdf/BILLS-112hr4enr.pdf>

Read more at the White House blog:

<http://www.whitehouse.gov/blog/2011/04/14/repealing-1099-reporting-requirement-big-win-small-business>

Read the statement by President Obama at:

<http://www.whitehouse.gov/the-press-office/2011/04/14/statement-president-obama-hr-4>

4/11/11 Attorney General Martha Coakley filed an amicus brief in the 11th Circuit Court of Appeals **in support of the Obama administration's appeal** of the ruling in *State of Florida v. HHS* that challenged the individual mandate declaring the entire ACA statute void. AG Coakley argues that Massachusetts' experience with health reform confirms the constitutionality of ACA including the individual mandate.

4/8/11 HHS announced **The HHS Strategic Action Plan to Reduce Racial and Ethnic Health Disparities** which outlines the goals and actions HHS will take to reduce health disparities among racial and ethnic minorities. The Plan complements the community-driven National Stakeholder Strategy for Achieving Health Equity. HHS intends for the two plans to guide public and private efforts to reduce disparities in health care and health outcomes. The HHS Action Plan and National Stakeholder Strategy build on the provisions in the ACA that address health disparities including §1557 nondiscrimination, §4302 data, the coverage expansion and access to care provisions and the public health and community grants. View the strategies at: <http://www.minorityhealth.hhs.gov/npa>

Upcoming Events

Next Quarterly Stakeholder Meeting

Patient Protection and Affordable Care Act Implementation meeting

Tuesday June 21, 2011 from 3:00-4:00 P.M.

1 Ashburton Place, 21st floor, Boston

Don't forget to add our website to your favorites: www.mass.gov/nationalhealthreform